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Arizona Corporation Commission

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MARC SPITZER - CHAIRMAN
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CAF

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS SUN CITY
WEST WATER AND WASTEWATER
DISTRICTS.

Docket No. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS SUN CITY
WATER AND WASTEWATER DISTRICTS.

Docket No. WS-01303A-02-0868

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS MOHAVE
WATER DISTRICT AND ITS HAVASU WATER
DISTRICT.

Docket No. WS-01303A-02-0869

**RUCO's BRIEF ON THE
APPLICABILITY OF THE
TIMECLOCK RULES AS SET FORTH
IN A.A.C. R14-2-103(B)(11)**

1 IN THE MATTER OF THE APPLICATION OF
2 ARIZONA-AMERICAN WATER COMPANY,
3 INC., AN ARIZONA CORPORATION, FOR A
4 DETERMINATION OF THE CURRENT FAIR
5 VALUE OF ITS UTILITY PLANT AND
6 PROPERTY AND FOR INCREASES IN ITS
7 RATES AND CHARGES BASED THEREON
8 FOR UTILITY SERVICE BY ITS AGUA FRIA
9 WATER DISTRICT AND ITS ANTHEM / AGUA
10 FRIA WASTEWATER DISTRICT.

Docket No. WS-01303A-02-0870

6 IN THE MATTER OF THE APPLICATION OF
7 ARIZONA-AMERICAN WATER COMPANY,
8 INC., AN ARIZONA CORPORATION, FOR A
9 DETERMINATION OF THE CURRENT FAIR
10 VALUE OF ITS UTILITY PLANT AND
11 PROPERTY AND FOR INCREASES IN ITS
12 RATES AND CHARGES BASED THEREON
13 FOR UTILITY SERVICE BY ITS TUBAC
14 WATER DISTRICT.

Docket No. WS-01303A-02-0908

**RUCO's BRIEF ON THE
APPLICABILITY OF THE
TIMECLOCK RULES AS SET FORTH
IN A.A.C. R14-2-103(B)(11)**

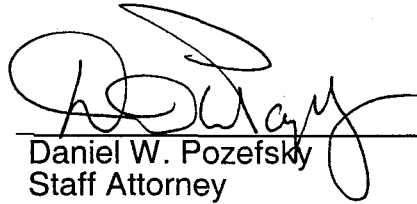
11 The Residential Utility Consumer's Office ("RUCO") hereby submits its Brief on the
12 applicability of the timeclock rules set forth on A.A.C. R14-2-103(B)(11). RUCO does not
13 take issue with the arguments raised in Arizona-American Water Company's ("Company")
14 brief of June 18, 2003.

15 RUCO would add the following point. Further evidence that A.A.C. R14-2-103
16 (B)(11)(f) and (g) contain inadvertent errors by referring back to A.A.C. R14-2-
17 103(B)(11)(a) can be found in footnote number 4 on page 20 of Attachment B to Decision
18 No. 57875¹. In discussing the timeclock rules, it was noted in the concise explanatory
19 statement that subparagraph (d)² was included in the initial proposed amendments as
20 subparagraph (a) and was renumbered to subparagraph (d) when the Commission
21 adopted the changes to the Rules. The logical explanation is that the reference back to
22 subsection (a) did not take into account the renumbering.

23 ¹ Decision No. 57875, referenced in the Company's Brief, approved the proposed amendments to A.A.C.
24 R14-2-103. Attached as Exhibit 1 is a copy of the relevant excerpt of Decision No. 57875.

² A.A.C. R14-2-103(B)(11)(d) – this subsection actually establishes the timeframes for the issuance of a final order.

1 RESPECTFULLY SUBMITTED this 27th day of June, 2003.

2
3
4 
Daniel W. Pozefsky
Staff Attorney

5 AN ORIGINAL AND TWENTY-ONE COPIES
6 of the foregoing filed this 27th day
7 of June, 2003 with:

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Phoenix, Arizona 85007

10 COPIES of the foregoing hand-delivered/
11 mailed this 27th day of June, 2003 to:

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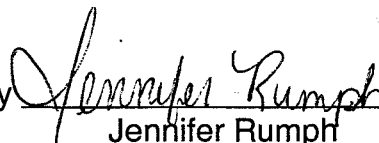
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By 
Jennifer Rumph

EXHIBIT

1

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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

RENZ D. JENNINGS
CHAIRMAN
MARCIA WEEKS
COMMISSIONER
DALE H. MORGAN
COMMISSIONER

MAY 18 1992

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JLP

IN THE MATTER OF THE PROPOSED
AMENDMENTS TO A.A.C. R14-2-103
CONCERNING RATE APPLICATION
MANAGEMENT.

DOCKET NO. R-0000-91-347

DECISION NO. 57875

OPINION AND ORDER

DATES OF HEARING: January 23 and 30, 1992

PLACES OF HEARING: Phoenix and Tucson, Arizona

PRESIDING OFFICER: Beth Ann Burns

IN ATTENDANCE: Chairman Renz D. Jennings
Commissioner Marcia Weeks
Commissioner Dale H. Morgan

APPEARANCES: Mr. Stephen J. Berg, Attorney, Legal
Division, on behalf of the Staff of the
Arizona Corporation Commission.

BY THE COMMISSION:

By Decision No. 57603, dated November 6, 1991, the Arizona Corporation Commission ("Commission") promulgated proposed amendments to A.A.C. R14-2-103 which would, inter alia, change the gross annual operating revenue amounts for the various utility classifications and establish time limits for the Commission's processing of rate applications.

By Procedural Order dated November 14, 1991, a hearing in this matter was scheduled for January 23, 1992 in Phoenix, Arizona and January 30, 1992 in Tucson, Arizona for the purpose of taking public comments on the proposed amendments. The Procedural Order also set February 14, 1992 as the deadline for filing written public comments on the proposed amendments.

CONCISE EXPLANATORY STATEMENT

The proposed amendments to A.A.C. R14-2-103 were adopted by the Commission in Decision No. 57603 (November 6, 1991). This explanatory statement is provided to comply with the provisions of A.R.S. §41-1027.

I. REASONS FOR ADOPTING THE PROPOSED AMENDMENTS

A.A.C. R14-2-103 sets forth the filing requirements which a public service corporation must meet in submitting an application to the Commission for a change in its authorized rates and charges. The rule, however, does not provide any timelines for processing such an application.

A.A.C. R14-2-103 is being amended to establish reasonable rate application management measures to improve the efficiency of, and provide greater predictability in, the rate review process. The amendments will: increase to a more realistic level the amounts used to identify utility classifications according to gross annual operating income; impose internal timelines for the Commission's processing of rate applications; and establish, for each utility classification, a deadline for issuing a final Commission Order in rate cases of 12 months for Class A and B companies, 9 months for Class C companies, and 6 months for Class D and E companies. In the event the Commission fails to meet the deadline, the amendments allow the utility to pursue interim rate relief, subject to bond and later refund, pending issuance of the final Order.

1 Resolution: A.A.C. R14-2-103(B)(11)(c) should be amended to
2 provide that:

3 "c. For all Class A utilities, the Hearing Officer shall issue
4 a recommended order in the rate case at least 20 days prior to the
5 last regularly scheduled open meeting in the time period calculated
6 pursuant to Subparagraph d. of this Paragraph. For all other
7 utilities, the Hearing Officer shall issue a recommended order at
8 least 10 days prior to the last regularly scheduled open meeting in
9 the time period calculated pursuant to Subparagraph d. of this
10 Paragraph."

11 K. A.A.C. R14-2-103(B)(11)(d) The Time Clock

12 Issue: A.A.C. R14-2-103(B)(11)(d) is the key provision in
13 the proposed amendments.⁴ It establishes the time clock. Under
14 this provision, the Commission will be required to issue final
15 orders in rate cases within a prescribed time period from the date
16 that a utility's filing is determined to be sufficient. The
17 proposed time period for Class A and B utilities is 12 months, for
18 Class C utilities nine months, and for Class D and E utilities six
19 months.

20 The comments submitted in this docket express universal support
21 for the implementation of a timetable to speed case processing and
22 rate relief. Nearly universal displeasure exists, however, with the
23 length of the time periods proposed. APS views the timetable as
24 "not overly ambitious" compared to other jurisdictions which have
25 legal time constraints on their rate deliberations. U S West
26

27 ⁴ In the initially proposed amendments, this provision was
28 included as A.A.C. R14-2-103(B)(11)(a). The changes to the rule
adopted by the Commission herein have caused the subparagraph to be
renumbered as A.A.C. R14-2-103(B)(11)(d).